Leadership, power and negotiation: the impossible triad?

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LEADERSHIP, POWER AND NEGOTIATION: THE IMPOSSIBLE TRIAD?

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Abstract
Leadership theory has evolved through changing conceptions, from the trait theories to the identification of behavioural styles, the contingency theories matching adapted behaviours with situational factors and eventually new theories focusing on the articulation of a vision. From charismatic and rational, the leader has become transformational, has learned how to use emotional intelligence in order to be inspirational, and eventually post-heroic in an ever changing environment. Instead of being simply commanders, leaders must be acting as facilitators, negotiators in relational processes more than controlling systems in order to solve or prevent many arising conflicts. While managing conflict can now be recognised as part of any leader plan, negotiation remains a specific activity in which participants go beyond a simple problem solving approach. They engage in a voluntary joint decision making process with conflicting interests and expectations leading to different phases of cooperation and competition with, in the end, an outcome that can never be predicted.

Keywords: leadership, power, negotiation, conflict, interests.

Introduction: Which leadership?

The literature on the subject of leadership is vast and often contradictory. Bryman (1996) identifies four chronological phases regarding theory which demonstrates the changes in terms of conception of the notion. First, the traits theories which intention are to identify the traits or skills of an effective leader. Then the behavioural theories, trying to answer the question of the best leadership style or behaviour; leading to the contingency theories which question the situational factors that influence the leadership style and focus on fitting styles with these factors. Eventually, new theories of leadership more focused on the leader vision. In this last trend, the leader is regarded as "transformational" due to his capacity to stimulate subordinates to follow his vision and change their motives and beliefs. As described by Ackoff (1999), this involves more than persuasion but also requires inspiration and the ability to implement pursuit of the vision. "Inspirational" leaders are considered to be self aware; they understand their own weaknesses, can sense the needs of specific situations and show empathy (Goffee, 2002). They can be transformational but also charismatic as described by Burns (1978) who considers charismatic leadership as a form of transformational leadership. But, as explained by Pawar (2003), the fact that most of the recent studies consider charisma as one of the central dimensions of transformational leadership is putting back the research to the leader's traits. Conger & al (2000) question the effects of a charismatic kind of leadership over followers on six aspects: reverence, trust, satisfaction, collective identity, group task performance and empowerment. To them, surprisingly, trust and satisfaction with the leader were not directly related to charismatic leadership but were mediated by reverence. Burns (1978) introduced a difference between transformational and transactional leadership. While transformational leaders raise followers to a higher level of needs and aspirations,
Transactional ones identify the needs and objectives of their subordinates and reward the fulfilment of these objectives. To Bass (1985) these are two distinct dimensions but leaders can exhibit a variety of patterns which occur together. The debate over these two styles is similar to the one on the difference between leadership and management. Transactional leadership is an exchange process based on current and fixed values whilst transformational leadership tries to change and improve them. According to Zand (1997), the word "leader" is mostly used in order to describe a person with a vision and a capacity to initiate changes while a "manager" stays within the limits of present rules and procedures in order to administer in the best possible way. For Bennis and Nanus (1985), leadership is path finding while management is path following in the sense that management is about applying solutions that are already included in the problem; leadership is about overcoming problems with new or innovative answers.

In an attempt to clarify the concepts of management and leadership through an analysis of the literature, Nienaber (2010) shows that even if many authors consider that the differentiation between management (as an outdated concept) and leadership (as an exalted one) is clear, the two are deeply entangled. Many leadership tasks and activities overlap with management and according to Nienaber (2010) unlike management there is no distinct task that is exclusively within the limits of the leadership concept.

As explained by Hay and Hodgkinson (2006), in order to fully understand the perspectives of leadership it is essential to switch from "systems-control" thinking to "process-relational" thinking. The relationship between managers and non managers or leaders and followers is based on many conflicting goals and interests that implies adjustments and requires a capacity to understand each others. This context of permanent interactions in order to complete the welfare of the organisation asks for more qualities than the ones required by the "classical" functions of planning, organising, commanding or controlling. To Hay and Hodgkinson (2006), networking, conflict resolution, communication and negotiation are helpful tools in order to influence others over the vision of the future of the organisation. But these tools and functions ask for other skills and competencies, quite different from the usual ones.

Goleman (1998) has developed a concept based on emotional intelligence from the starting point that we respond to the behaviours of others with feelings and emotions. To him, this form of intelligence is a capacity to understand our own feelings and those of others. This capacity can be used in order to motivate others through a specific leadership established on five elements: self-awareness, self-regulation (or self management), motivation, empathy and social skills (as social awareness and relationship management).

Fowlie and Wood (2009) show the difference between emotional intelligence as a capability to recognise and use emotions and emotional competencies which can be learned and developed like skills.

Ethical concerns and turbulent environments have forced to reconsider a vision of the leader as a saviour who knows how to solve all the organization's problems. The "Post heroic" or "empowering" leader must facilitate others members in the organization in taking leadership roles. He acts as a developer in an increasing teamwork with a role based on coaching, guiding and facilitating more than making decisions. Senge (1990) suggests that the leader through discussion, consultation and the feedback provided by the other members of the organization acts as a servant overriding his own self-interests. In order to do so, this new leader needs new skills like vision making skills, a capacity to share ideas and consider feedbacks.

In the same perspective, Higgs (2003) explains that leaders need a combination of personality and skills. They must display authenticity, integrity, will, self-belief / awareness and must be envisioning, engaging, enabling, and enquiring.
This new vision of a proper way of leading in a complex and ever changing environment implies an increase of interactions between leaders and, if not called anymore followers, their counterparts. These situations which multiply in order to permanently adjust with the requirements of the vision designed by the leader create more opportunities for negotiation. As "Empowering" leaders have to facilitate many members of the organisation in taking on leadership roles, the remaining question is about power and its repartition. Not only subordinates must be convinced to play this role as well but the potential risk for the leader is to see his power, based on a vision to share, diminished in the process.

Negotiation and leadership share a fundamental element which is power, bringing for the negotiators the essential question of the balance and the sources of power in the process. A favourable power position can be based on many factors that might differ depending on considering the leader or the negotiator; for the leader the risk might be that in getting in a negotiation process he might lose some of his initial power. The stakes and interests that reveal in the interaction might be far from rational or logical and create confusion over the leader's choices and intentions. Therefore, the danger for the leader in this process, depending on the ways and means that he will choose but also the nature and level of interests for both parties, might be to put at risk his status, his image and consequently his power. However, could the sources of bargaining power be compared with the leader's ones? Furthermore, are negotiating skills sufficient in order to become an efficient leader or can a successful negotiator be considered as a potential leader?

Drawing on concepts from several disciplines, our intention in this paper is to clarify the aspects and elements of the relationship between the sources of power in leadership and negotiation in order to uncover new hypotheses for research.

**Leaders and power**

According to Northhouse (2010), the concept of power is related to leadership because it is part of the influence process. Leadership is a power relationship that exists between leaders or followers. Therefore, power, influence and leadership seem to be entangled as demonstrated by Shackleton (1995) and the influence can be exercised in a variety of ways also with reciprocity: Leaders influence followers' behaviours in order to attain specific goals while they can be influenced in their decision making process by the followers' behaviours.

From all the theories of power, one of the most frequently used and referenced model of social power is the one from French and Raven (1959). They were the first to identify and introduce five different bases of power that a person can exert over another one:

- **Reward power** refers to the capacity to provide others with things they desire or value. The strength of the power that one person will have on another will increase with the importance of the reward perceived. It depends also on the ability to remove or to reduce negative consequences or effects.
- **Coercive power** which consists of the capacity to force someone to do something and to administer sanctions, punishments or even to take away advantages. It is based on someone's failure to conform to the expectations and influence of the other party.

These two sources of power are pretty similar in the sense that one can be considered as positive with the use of promises and the other negative, drawing mostly on the use of threats.
- **Legitimate power** refers to the capacity to impose a sense of obligation due to a role, a status. The notion of legitimacy implies codes, standards accepted by individuals enabling someone with a specific status to assert his power. It is influenced by many origins like cultural values, social structure, and importance of hierarchy....
Expert power is based on knowledge and skills and is the capacity to provide another with needed or expected information. It depends on someone's perception of the extent of knowledge of the individual considered as an expert in a specific domain. Therefore it is appreciated in relation to the personal knowledge of the one who is submitted to this power as well as a general and absolute standard.

Referent power is the ability to provide others with feelings of acceptance, approval, based on their desire of identification, their admiration, their attraction to your traits, characteristics and qualities and willingness to establish or maintain a relationship.

Raven, later on, suggested that "Informational" power should be detached from "Expert" power, distinguishing therefore a sixth type of power (Raven, 1965). To Raven, the capacity to formulate a rational explanation about the necessity to comply or submit to a decision gives a power that can be considered either direct or indirect depending on its formulation. It is related to a form of persuasion and a capacity to convince with the appropriate arguments.

Many scholars have considered that by describing the bases upon which power is established, French and Raven were only answering the question of where power comes from while how it is perceived or used remain the most interesting questions.

This led Raven to develop a power/interaction model (Raven, 1992) which combines several factors deciding what means of power one person will use in order to influence another person (for a complete historical overview of the French and Raven taxonomy see: Elias, 2008).

Many critics were expressed to the original model (Braynion, 2004). Mostly the fact that when used in order to describe leadership it is never placed in a social or cultural context and draws only a single perspective about leadership with no consideration to the followers’ side (on which power is exerted).

Nevertheless, as a pure interpretation of power, it doesn't apply systematically for leadership situations but predominantly for interpersonal relations where people exert power in an attempt to attain a specific goal or satisfy a specific need.

In that sense, this model can also help interpreting how power is established in negotiation where convincing and adjusting over your counterpart depends on the existing balance of power.

**Power and negotiation**

Negotiation is a specific form of communication in which the parties enter into deliberately, each with clear aims and goals and a mutual dependency towards a decision due to be taken at the end of the confrontation.

One of the key aspects is the presence of both conflicting and cooperative elements. Participants must accommodate their conflicting interests into a mutually acceptable settlement by reducing the divergence or increasing the convergence of their objectives.

While in practice negotiation is always a mix of cooperation and competition, these two elements correspond to different approaches of the relationship and also different orientations in term of strategy, techniques, tactics and arguments employed by the negotiators with related effects and in the end leading to different outcomes.

The interdependence between these two poles creates several dilemmas for the negotiator in his decision making process. The levels of honesty, trust and therefore cooperation are influenced not only by the uncertainty of the situation, the objectives or stakes but also by the orientation given from the very beginning of the relationship depending on the estimated power of each participant.

A cooperative attitude based on legitimate and useful information tends to promote the development of mutual trust and a mutually beneficial relationship while a competitive behaviour tends to induce mutual suspicion and creates an atmosphere of conflict.
Therefore, the strategy and the tactics used will either contribute to create a trustful relationship leading to an integrative agreement or on the contrary damage the relationship and simply reduce the negotiation to a confrontation of power. Participants in that case rely on coercive measures, using different kinds of threats or make false promises and bluff in order to establish a more acceptable balance of power.

A first approach regarding power in negotiations may consider resources that permit a party to punish or reward another one for its behaviour. For Zartman (1991) power can come also from elements that determine the vulnerability of the other party to such punishments or rewards.

Boulding (1999), considering that power is the ability to get what we want, divides it in three major categories from the point of view of its consequences: destructive power, productive power and integrative power. The last one has a destructive and productive aspect depending on the relationship and its origin.

The power of commitment was originally exposed by Shelling (1960) who identifies power with the ability to commit to a position from which your counterpart cannot be expected to withdraw. A commitment functions by restricting the bargaining range in favour of the one who is committing.

Fischer (1999) distinguishes two different kinds of commitment: affirmative and negative.

An affirmative commitment is a decision about what the negotiator is willing to do. It can be considered as an offer. This offer can be formulated in a way that maximizes the impact of the other categories of negotiating power. An affirmative commitment (offer) can be justified by a specific knowledge or expertise or take into account alternatives leading to the best possible offer.

On the other hand a negative commitment is a decision about what the negotiator is not willing to do or accept. It represents the limits of what is negotiable but can be controversial in the sense that it can lead to threats or ultimatum and damage the quality of the relationship.

Lewicki & al (2001) assume that power in negotiation must not be considered as absolute and coercive even if it is mostly a capacity to influence or the ability to bring about outcomes that are desired. They prefer to separate the power revealed in negotiations from the influence processes used in interpersonal relations.

In that sense they join the relational definition of power given by Deutsch (1973) that emphasises the specificities of each situation. The power of an actor in a given situation (contingency approach) can be evaluated as the "degree that he can satisfy the purposes that he is attempting to fulfil". Therefore power depends also on the relationship rather than purely on the resources of each participant. According to Deutsch (1973), some elements of power derive from the situation or the context instead of being only attributes of each actor. The characteristics of the situation as well as the characteristics of the participants determine the balance or the asymmetry of power. As he suggests there is a clear distinction between the environmental power, the relationship power and the personal power.

To Bacharach and Lawler (1981), the level or degree of dependency has an obvious effect on the asymmetry of power in the sense that the more dependent an actor is relative to opponent, the weaker is the negotiation strength. But this dependency has to be considered on two different aspects; the existence and potential of alternatives but also the importance of interests, stakes, objectives or expectations. Not only do the participants count on resources that they possess which are of interest to their opponent, but also they have different expectations regarding the interests provided by these resources.

Fischer and Ury (1981) introduced the concept of "best alternative to a negotiated agreement" (BATNA) in order to explain that the strength of a negotiator depends on the number and value of alternatives at his disposal. A negotiator should always conclude an agreement which
provides more value than the best possible alternative otherwise there is no point in accepting it. But his power relies also on the number and value of his counterpart available options. Dupont (1996) classifies the sources of power in two categories: the ones linked to the situation (over which the negotiator might have different levels of control) considered as "objectives" factors and those in connection with the negotiator himself like skills or credibility.

In the first category he mentions:
- Latitude of choice / decisions
- Capacity to sanction (positively and negatively)
- Degree of dependence on the opponent(s)
- Latitude with time (compared to the opponent)

In the second category:
- Skills (natural and acquired) / capacities
- Credibility / Reputation
- Capacity to influence (convince)
- Information / Access to relevant data

**Power in leadership and negotiation**

Can the leader's sources of power be compared with the negotiator's ones? Using the categories established by Dupont (1996) and the French and Raven model (1959) with the evolution from Raven (1965) we can see in the following figure that it is possible to match the sources of power in negotiation with the bases that a leader can use in a social interaction.

But we can also extend this confrontation to the model developed by Bacharach and Lawler (1981) which divides power in three categories: potential power, tactical power and the power derived from the outcome, and later by Kim & al with a distinction between potential, perceived and realized power.

For example, the capacity to sanction which can be considered as a reward or coercive power can be regarded as a potential power and turn into a realized power as it could become the consequence of the agreement (or the non respect of the agreement).

The degree of dependence which can be linked to a legitimate power (status) can also be considered as a potential power (before the negotiation), a perceived one (during the process) but also a realized one.

Credibility or reputation (legitimate and expert power) will also represent a potential power that will be perceived during the interaction but can be affected strongly by the result.

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The latitude of choice will can be based on the negotiator's status or position (legitimate power) but also on the information that is available (knowledge about other alternatives or opportunities) is a potential source of power that can become a realized one due to the nature of the agreement. The related question is how these sources of power (or bases in the French and Raven taxonomy) can transform from potential to tactical (perceived) and then become realized. In other words, what can modify in the negotiation process, the perception of power and the nature of the power that is used in order to succeed?

**Interests and stakes**

According to De Dreu and Van Kleef (2003), negotiations between leaders and subordinates are specific situations due to the unbalanced power between the two parties. Not only leaders have usually more power than their counterparts but they cannot risk losing too much power in the process as the relationship is an ongoing one with effects on motivation and performance. After all, as expressed by Northhouse (2010), the process of leadership involves influence within a group context in order to attain specific goals. This situation creates stakes and risks based on the interests that will be realised in the process. The power of the leader like the negotiator is at risk due to the uncertainty of the result and the nature of the initial stakes while during the process new stakes can arise and modify the level and balance of power. Interests are considered by Lax and Sebenius (1986) as the element that can measure negotiation. According to them, it is the raw material of negotiations and can take many forms including tangible but also intangible elements. Although negotiators focus on their interests and must take into consideration the other party's interests they have a very narrow conception of it. Lax and Sebenius make a clear distinction between intrinsic and instrumental interests leading to three misunderstood aspects of negotiation: interests in the process, the relationships and in principles. Intrinsic interests are independent of any subsequent deals while instrumental interests are influential on following deals or outcomes. The first ones are objective and can be mostly quantified on a short term basis while the other ones are more long-term oriented and can be totally subjective. Both can be present in the three aspects mentioned before: even if negotiators evaluate agreements by measuring the value obtained from the outcome, the way the negotiation process was carried might have an importance as well. The relationship brings intrinsic interests because of the trust established between the parties but sometimes they may find no instrumental interest in keeping the relationship. Finally, negotiators can share or develop common values or norms that can provide immediate or future effects.

Leroux (1992) talks about instrumental or fundamental stakes; the visible, material, tangible part (instrumental) made up mostly of economical aspects is sometimes less important than the invisible one (fundamental) which refers to notions like self-esteem, status or reputation. As Dupont (1996) shows, there is a clear link between interests and stakes. Every negotiation implies expectations, objectives, interests, consequences (positive or negative), risks,
probabilities (chances). The stake of the negotiation is the impact of the outcome on the interests, tangible or intangible ones. But negotiation is not the only activity where interests are at stake, leadership as long as it concerns the future of the organisation and its members is also a process in which stakes are building up depending on the capacity of the participants to adapt to the objectives (if not the vision) of the leader(s).

**Conclusion: Negotiation, the right tool for leaders?**

According to Schruuijer and Vansina, (2002) the essence of leadership lies in the relation between leaders and followers. Therefore, a variety of relationships can be envisaged, but these relations cannot be understood without taking into account irrational and unconscious elements. Trust, for example, which is essential in negotiation, is also considered like power as a decisive element of leadership. In his description of the triad of fundamental elements constituting a high-performance leadership, Zand (1997), shows that the capacity to develop trust along with the willingness to trust others are important pre-requisite.

As explained by Barker (2001) in an attempt to reconsider the "science" of leadership, the question for leadership study might simply be: "What motivates people to modify their self interest to work collectively toward common goals". In terms of negotiation, the question would be: Why are people reducing their own interests and taking into account their counterpart’s interests in order to reach an agreement?

Mostly because they are interdependent over an outcome that will produce expected gains but also in order to satisfy stakes and interests that are sometimes subjective or intangible. In a recent study, Maner and Mead (2010) have considered the conditions in which leaders use their power in order to promote group goals or, on the opposite their self interest. They show that when power is tenuous, unstable, leaders that have a high dominance motivation to give priority to their self interests instead of group goals. Therefore, fundamental stakes more than instrumental ones, in the sense of Leroux' distinction (1992) are influencing them in order to preserve their interests.

To Barker (2001), leadership is a continuous social process. The tendency to study this topic in an empirical manner through isolated events with cause-effect relationship takes us away from the phenomena itself. Its multiple shapes must not make us forget about the essence of it that is about power and influence. As explained by Hay and Hodgkinson (2006), considering leadership in process-relational terms can help managers understanding the leadership challenges and processes. The leadership process is an interpersonal interaction and as such often occurs in a context where at least one of the participants has expectations about the other (Baldwin & al, 2009). These expectations will strongly influence the interaction in many ways but more specifically in terms of power linked to the information that people will gather before and during the interaction.

In a relationship between leaders and subordinates, expectations are a very important part of the interaction. The legitimacy of the leader and its related power is directly dependent on the leader capacity to fulfil followers' expectations. When the interaction is considered a negotiation, the interdependency between the participants over an outcome creates other expectations and invisible stakes that will strongly influence the future of the relationship and the initial power of the participants. As described by Schruuijer and Vansina (2002), the quality of the relationship between leaders and followers has a determining impact on the outcomes of leadership behaviour. But many contingency variables (the situation for example) separated from the leader individual qualities can explain or justify this behaviour. Burn's (1978) definition of leadership describes a process which occurs within a context of competition and conflict. For many scholars like Bachrach and Baratz (1970), power is
conflictual; it only expresses itself in situations of conflict, or is revealed by conflict (Dahl, 1957). Barry (1974) argues that some degree of conflict of goals is a necessary condition for the exercise of power (but not for the possession of power). Lukes (1974) states that only the conflict of interests (meaning confronting conflicting interests) is necessarily present in all power relationship. According to Lukes, power is also measured by the ability to implant in people's mind some interests that are opposite to their own good. In their model, Bachrach and Baratz (1970) involve not only manipulation but also the use of coercion, influence authority in a competitive, conflicting environment.

If we agree that negotiation is based on an existing conflict of interests (at least) and can be considered as a way of solving this conflict in order to reach an agreement involving both parties, we understand that there is a strong link between the exercise of power from a leadership perspective and a negotiator's point of view.

As we have seen, the sources or bases of power from both activities can easily compare. To Bacharach and Lawler (1981), power is the "essence" of bargaining even if it is mostly subjective, based on the participants' perceptions. As we have seen, they divide power in three categories: a potential power, a power that is used (tactical power) and eventually a power resulting from the outcome of the negotiation process. This "realized" power as expressed by Kim & al, might be dispatched in a very different way than the potential power, leading to a new relationship between the participants.

In that sense, negotiations skills might be essential for leaders in order to succeed, but negotiation is a situation where power is not only displayed, it is modified through the process. Because all the sources of power are unequally distributed and can have immediate or lasting effects, the negotiators are confronted to a balance of power that reveals mainly during the process, placing the interaction as the most difficult phase to manage.

Usually participants, whatever the result is, do not come back to the initial state afterwards. Leaders, therefore, might consider carefully using negotiation as a permanent way of managing people. Power is probably one resource that they cannot waste.

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